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RICHARD L. SALLQUIST

November 14, 2008

HAND DELIVERY

Kay Kilger

Arizona Corporation Commission

Docket Control

1200 West Washington Street

Phoenix, Arizona 85007

Re: Sunrise Utilities, LLC; Docket Nos. WS-04247A-04-0604 and W-03067A-04-0216;
Decision No. 68247; Compliance Filing

Dear Ms. Kilger:

The Procedural Order dated February 20, 2008 in this docket extended the filing date for the Arizona Department of Water Resources' Adequacy Analysis. Attached hereto are fifteen (15) copies of that Analysis.

In the event you have any questions regarding this matter, please do not hesitate to call the undersigned.

Sincerely,

Richard L. Sallquist

Enclosures

Cc: Brian Bozzo
Mike Black

Arizona Corporation Commission

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ARIZONA DEPARTMENT OF WATER RESOURCES**Office of Assured and Adequate Water Supply**3550 North Central Ave., 2nd floor, Phoenix, Arizona 85012

Telephone (602) 771-8599

Fax (602) 771-8689

Janet Napolitano
GovernorHerbert R. Guenther
Director**ANALYSIS OF ADEQUATE WATER SUPPLY**

July 9, 2008

File Number: 43-700506.0000
Development: Michael T. Black Properties
Location: Township 39 North, Range 16 West, Sections 11 & 14
Mohave County, Arizona

Land Owner: Michael T. Black Family Limited Partnership, a Nevada limited partnership;
Scenic Investments LLC, a Nevada limited liability company;
Michael T. Black and Lori Jo Black, husband and wife as joint tenants with
right of survivorship;
Mesquite AZ., LLC, a Nevada limited liability company;
The Michael T. Black Family Trust Dated November 20, 1997

The Arizona Department of Water Resources has evaluated the Analysis of Adequate Water Supply application for Michael T. Black Properties pursuant to A.A.C. R12-15-712. The proposed development includes 2140 single-family residential lots and 2140 multi-family units. An undetermined water provider will deliver water to the master-planned development. Conclusions of the review are indicated below based on the adequate water supply criteria referenced in A.R.S. § 45-108 and A.A.C. R12-15-712.

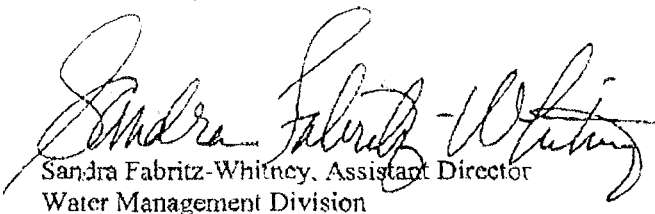
- **Physical, Continuous, and Legal Availability of Water for 100 Years**
On the basis of the Department's review, the Department has determined that 1410.17 acre-feet per year of groundwater will be **physically and continuously available**, which is equivalent to the annual estimated water demand for the development of 1410.17 acre-feet per year. The application did not include a Notice of Intent to Serve form. The development is partially located inside the current service area of Virgin Mountain Utilities. Therefore, **legal availability** of the water is not considered proven. Applications for Water Reports that follow the Analysis of Adequate Supply will need to reference this letter. Individual Notices of Intent to Serve will be required for each application for a Water Report.
- **Adequate Water Quality**
This requirement will be evaluated according to the criteria in A.A.C. R12-15-719 at the time an application for a Water Report is filed. Prior to preparing an application for a Water Report, the Office of Assured Water Supply may be contacted for further guidance.

- **Financial Capability of the Owner to Construct the Necessary Distribution System**
This requirement will be evaluated according to the criteria in A.A.C. R12-15-720 at the time an application for a Water Report is filed. Prior to preparing an application for a Water Report for an individual subdivision plat, the Office of Assured Water Supply may be contacted for further guidance.

The term of this Analysis of Adequate Water Supply is ten years from the date of this letter and may be renewed upon request, subject to approval by the Department. See A.A.C. R12-15-712. Throughout the term of this determination, the annual estimated water demand of this development will be considered when reviewing other requests for adequate water supply in the area.

Prior to obtaining plat approval by the local platting authority and approval of the public report by the Department of Real Estate, a Water Report must be obtained for each subdivision plat. The findings of this Analysis of Adequate Water Supply may be used to demonstrate that certain requirements for a Water Report have been met. This determination may be invalidated if the development plan or other conditions change prior to filing for a Water Report. Changes in the number or locations of wells may impact applicability of this determination to future applications for determinations of adequate water supply.

Questions may be directed to the Office of Assured/Adequate Water Supply at (602) 771-8599.



Sandra Fabritz-Whitney, Assistant Director
Water Management Division

cc: Chris Catalano, Southwest Ground-water Consultants
Rick Obenshain, Office of Assured and Adequate Water Supply